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TWELFTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD

Financial Statements

December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/15/07

DUCOTE & COMPANY
Certified Public Accountants
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Marksville, LA 71351

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**Component Unit Financial Statements
As of and for the Year Ended December 31, 2006**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Mr. Charles Jones, Chairman
Twelfth Judicial District Indigent Defender Board
Marksville, Louisiana

We have compiled the accompanying balance sheet of the Twelfth Judicial District Indigent Defender Board as of December 31, 2006 and the related statement of revenues, expenditures, and changes in fund balance, for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Twelfth Judicial District Indigent Defender Board did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2006. The effects of this departure from generally accepted accounting principles have not been determined.

DUCOTE & COMPANY
Certified Public Accountants
Marksville, Louisiana
June 19, 2007

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**ALL FUND TYPES AND ACCOUNT GROUPS
BALANCE SHEET
December 31, 2006**

	GOVERNMENTAL FUND TYPE GENERAL FUND	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL MEMORANDUM ONLY
ASSETS			
Cash	\$61,777	\$0	\$61,777
Accounts receivable	10,757	0	10,757
Deposits	525	0	525
Equipment	0	12,211	12,211
Total Assets	\$73,059	\$12,211	\$85,270
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$3,651	\$0	\$3,651
Equity and other credits:			
Investment in general fixed assets	0	12,211	12,211
Fund balance, unreserved	69,408	0	69,408
Total Equity and Other Credits	69,408	12,211	81,619
Total Liabilities, Equity, and Other Credits	\$73,059	\$12,211	\$85,270

See accountants' compilation report and the accompanying notes.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**GOVERNMENTAL FUND-GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Year Ended December 31, 2006**

	Actual
REVENUES	
Court costs on fines & forfeitures	\$146,363
Intergovernmental revenues:	
State grant	57,131
Miscellaneous revenues	<u>1,210</u>
Total Revenues	<u>204,704</u>
EXPENDITURES	
Salaries and related benefits	24,483
Contract attorneys	157,350
Legal and accounting	2,575
Insurance	6,189
Other	<u>15,028</u>
Total Expenditures	<u>205,625</u>
Excess (Deficiency) of Revenues Over Expenditures	(921)
Fund Balance, beginning of year	<u>70,329</u>
Fund Balance, end of year	<u><u>\$69,408</u></u>

See accountants' compilation report and the accompanying notes.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006**

INTRODUCTION

The Twelfth Judicial District Indigent Defender Board is established in compliance with Louisiana Revised Statutes 15:144-149, to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The judicial district encompasses the parish of Avoyelles, Louisiana.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Twelfth Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Avoyelles Parish Police Jury is the financial reporting entity for Avoyelles Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Avoyelles Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This Criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial burdens on the police jury.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Organizations for which the police jury does not appoint a voting majority but is fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Indigent Defender Board is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget. Therefore, the indigent defender board was determined to be a component unit of the Avoyelles Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the indigent defender board and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The General Fund uses the modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures.

REVENUES

Revenues are recognized when they become measurable and available as net current assets.

EXPENDITURES

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS

In accordance with Louisiana R. S. 39:1302, local indigent defender boards are not political subdivisions within the meaning of the Louisiana Government Budget Act. Therefore, the Board is not required to formally adopt a budget.

F. COMPENSATED ABSENCES

The indigent defender board does not have a formal policy for vacation and sick leave.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH

At year end, December 31, 2006, the cash consisted of deposits with banks, with a book value of \$61,777.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2006, the district had \$73,425 respectively, in deposits (collected bank balances). Of the total bank balance, \$73,425 was covered by Federal Depository Insurance. At December 31, 2006, an additional \$31,023 was held by the custodial bank in pledged securities in the name of the Indigent Defender Board (GASB Category 3). The funds remain pledged throughout the fiscal year in the event the uninsured balances of the Indigent Defender Board exceed \$100,000 at any point in time.

Even though the pledged securities are considered uncollateralized (category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Indigent Defender Board that the depository bank has failed to pay deposited funds upon demand.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2006**

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 2006:

<u>Class of Receivable</u>	<u>12/31/06</u>
Court Costs	<u>\$ 10,757</u>
Total	<u>\$ 10,757</u>

NOTE 4 - PENSION PLAN

Plan Description. The Twelfth Judicial District Indigent Defender Board contributes to the Parochial Employees' Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the board are members of Plan A.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**TWELFTH JUDICIAL DISTRICT
INDIGENT DEFENDER BOARD
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
December 31, 2006**

NOTE 4 - PENSION PLAN, (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225)928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the board is required to contribute at an actuarially determined rate. The current rate is 12.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the board are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The board's contributions to the System under Plan A for the year ending December 31, 2006, 2005, and 2004 were \$2,716, \$2,486, and \$2,185 respectively, equal to the required contributions for the year.

NOTE 5 - GENERAL FIXED ASSETS

The changes in general fixed assets for the year ended December 31, 2006 are as follows:

	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006
Machinery and equipment	<u>\$12,211</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,211</u>
Total General Fixed Assets	<u>\$12,211</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,211</u>